

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6649

BILL NUMBER: SB 404

NOTE PREPARED: Feb 3, 2014

BILL AMENDED: Feb 3, 2014

SUBJECT: Hunting Preserves.

FIRST AUTHOR: Sen. Yoder

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
☒ FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides for the licensing and operation of hunting preserves on which farm-raised and released cervidae are hunted. It establishes licensing requirements, inspection requirements, and fees. The bill exempts licensed hunting preserves from the licensing requirements for game breeders and shooting preserves.

The bill provides that hunters on hunting preserves are not required to have a hunting license and are not subject to bag limits. It also requires that a transportation tag be purchased and fixed to the leg of each cervidae taken on a hunting preserve. The bill prohibits computer-assisted remote hunting on hunting preserves.

The bill provides that the law under which the county is liable for losses sustained by the owners of certain types of animals that are killed or maimed by dogs does not apply to farm-raised cervidae on a hunting preserve. It also provides that an owner of a hunting preserve is not entitled to indemnification from the state for cervidae that are condemned by the Board of Animal Health or destroyed because of exposure to bovine tuberculosis.

The bill establishes a Class A infraction for violations of the hunting preserve provisions. Violations committed knowingly or intentionally are elevated to a Level 6 felony.

The bill also removes a provision requiring the boundaries of a shooting preserve to be defined by fences of at least one strand of wire.

Effective Date: July 1, 2014.

Summary of NET State Impact: (Revised) This bill is estimated to result in minor additional expenditures for administrative requirements. This bill could generate an estimated \$37,600 in transportation tag revenue and a minimum of \$20,000 in initial license fee revenue in FY 2015, with subsequent ongoing annual license renewal fees of \$6,000. The net impact on other license and fee revenue would likely be offset by hunting preserve license fee revenues and transportation tag revenue.

Expenses and revenues related to the penalty provisions are likely to be small.

Explanation of State Expenditures: *Licensing of Cervidae Hunting Preserves:* The bill requires the Department of Natural Resources (DNR) to issue hunting preserve licenses, inspect new hunting preserves not in operation before January 1, 2014, and provide hunting preserve transportation tags. The DNR would have additional expenditures related to the promulgation of rules and to staff time needed to inspect and issue licenses to new operations. (The bill provides that if a hunting preserve was in operation at any time during the period between January 1, 2005, and December 31, 2013, a hunting preserve owner may release permitted animals and resume hunting preserve operations without an inspection.)

Board of Animal Health (BoAH) Provisions: The bill provides that the hunting preserves must operate in compliance with BoAH rules concerning the health of cervidae on hunting preserves. The BoAH is also required to inspect a new game preserve. The BoAH reports that rules are currently in place for animals on breeding farms and hunting preserves.

(Revised) *Indemnification:* The bill provides that indemnification for the destruction of cervidae that have tested positive or been exposed to tuberculosis does not apply to the licensed owner of a hunting preserve. Any potential savings resulting from this provision would depend on individual circumstances.

Inspections: The bill requires DNR to perform annual inspections. The DNR spends 4 to 6 hours per inspection, and for the larger pens it can take two officers to complete an inspection. Inspection costs can range from \$88 to \$264 per pen. The total costs of inspections would depend on the number of new hunting preserve license applications, total number of annual inspections, and any DNR rules that might be promulgated with regard to inspection requirements. Hunting preserves are required to collect and document specific data on forms supplied by the DNR. Specified data is required to be kept for two years. (Shooting preserves are required to report specified data to the DNR annually.) Overall expenses associated with the administration of the bill are estimated to be minor.

(Revised) *Penalty Provisions:* A Level 6 felony is punishable by a prison term ranging from 6 to 30 months or reduction to a Class A misdemeanor, depending upon mitigating and aggravating circumstances. The average expenditure to house an adult offender was \$19,386 in FY 2013. (This does not include the cost of new construction.) If offenders can be housed in existing facilities with no additional staff, the marginal cost for medical care, food, and clothing is approximately \$3,266 annually, or \$8.95 daily, per prisoner. The estimated average cost of housing a juvenile in a state juvenile facility was \$77,489 in FY 2013.

Explanation of State Revenues: (Revised) The net impact on license and fee revenue would depend on the number of hunting preserves to be established, the number of transportation tags sold each year, and any potential reduction in the number of hunting licenses sold as a result of the operation of the hunting preserves. Any revenue would be deposited in the Fish and Wildlife Fund, which is used to fund the operations of the DNR Divisions of Fish & Wildlife and Enforcement. Revenue associated with the penalty

provisions is likely to be small.

(Revised) Cervidae Hunting Preserve Licenses: The bill establishes a hunting preserve license and requires an initial fee of \$5,000; the annual license renewal fee will be \$1,500. At a minimum, the 4 hunting preserves in continuous operation between January 1, 2009, and January 1, 2014, would be anticipated to apply for a license. Annual fee revenue would be estimated to be at least \$20,000 for FY 2015, and \$6,000 annually thereafter. Revenue may increase if new hunting preserves apply for licensure and meet the requirements of the bill.

Transportation and Culling Tags: The DNR will be required to provide transportation and culling tags for every cervidae taken on the hunting preserve. Each transportation tag will have a fee of \$150 per buck or \$50 per doe taken on the hunting preserve. Cervidae culled by the owner and transported for personal consumption or to a butcher or charity would require a cull tag, which is to be available at no cost to the owner.

Class A Infraction: The maximum judgment for a Class A infraction is \$10,000, which would be deposited in the state General Fund. However, any additional revenue is likely to be small.

Level 6 Felony: If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Level 6 felony is \$10,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 criminal costs fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund. In addition, some or all of the automated record keeping fee (\$7), judicial salaries fee (\$20), public defense administration fee (\$5), court administration fee (\$5), judicial insurance adjustment fee (\$1), and the DNA sample processing fee (\$2) are deposited into the state General Fund.

(Revised) Additional Information: An economic impact study of the deer and elk farming industry reported that in 2010, 93% of game preserve revenue was generated by out-of-state hunters, while the remaining 7% were from international locations. It was further reported that, on average, 72 deer were harvested through hunting on each preserve. If this experience is assumed to continue for 4 hunting preserves, and 80% of the animals harvested are bucks, the annual transportation tag revenue can be assumed to be \$37,600. [4 preserves x ((72 x 80% x \$150 for bucks) + (72 x 20% x \$50 for does)) harvested per transportation tag]

Game Breeders Licenses. The owner of a hunting preserve license is not required to possess a game breeder's license or a shooting preserve license. The fee for a game breeders license is \$15. The fee for a shooting preserve license is \$100. Since hunting preserve licenses would be more expensive, any conversion of a shooting preserve license to a hunting preserve license would result in a net increase in revenue.

Hunting Licenses: The bill would exempt users of a hunting preserve from obtaining a hunting license. The bill also provides that there is no bag limit for permitted animals of either sex taken on a hunting preserve. Current law regarding shooting preserves requires Indiana residents to obtain a hunting license and nonresidents to obtain a special license costing \$8.75. (Currently, the resident hunting license fee is \$17, and the nonresident license fee is \$80. The resident deer hunting license fee for a single deer is \$24; the nonresident fee is \$150. A deer license bundle is also available: the resident fee is \$65, while the nonresident

fee is \$295. The bill may reduce the amount of fee revenue associated with deer hunting licenses. The extent to which revenue might be reduced would depend on the number and type of licenses (resident or nonresident) that might otherwise be purchased absent this provision. Transportation tag revenue may offset, somewhat, the loss of license fee revenue.

Federal Funds Associated with Hunting Licenses: DNR received about \$33.67 for each certified hunter in FFY 2013 in sport wildlife restoration monies. In order to receive federal reimbursement, the DNR must charge a fee that is commensurate with the normal cost for that privilege. Therefore, in addition to the potential loss in state license revenue, the DNR would also lose the associated federal reimbursement due to the exemption from licensure for hunting preserve users. The extent to which federal revenue might be reduced would depend on the number of licenses that might otherwise be purchased absent this provision. (The apportionment formula is based on land mass and numbers of certified hunters.) Transportation tag revenue may offset, somewhat, the loss of sport wildlife restoration revenue.

Explanation of Local Expenditures: The bill exempts hunting preserves from the law under which counties have liability for losses of certain animals that are killed or maimed by dogs. To the extent that counties would pay claims for livestock damages caused by dogs, the bill would eliminate any damages incurred by hunting preserves as a county liability.

(Revised) *Level 6 felony:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. The average cost per day is approximately \$44.

Explanation of Local Revenues: (Revised) *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

State Agencies Affected: DNR, State Board of Animal Health.

Local Agencies Affected: County auditors Local law enforcement.

Information Sources: DNR. *Economic Impact of the Deer & Elk farming Industry in Indiana*, November 2011, prepared for the Indiana Deer and Elk Farming Association, by Dr. John Lee, Ph.D., and Alicia English, Ph.D. candidate.

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